



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 3
AGENDA DATE: 1/15/2009
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SUBJECT: Approve the negotiation and execution of a loan to AUSTIN NEIGHBORHOOD ALLIANCE FOR HABITAT, INC., an affiliate of Austin Habitat For Humanity, Inc., under the Acquisition and Development Program, in an amount not to exceed \$154,580, in compliance with applicable Acquisition and Development Program financing requirements and performance goals, to assist with the acquisition of two improved properties located at 7419 and 7423 Thannas Way, to be sold to low- and moderate-income buyers.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Acquisition and Development Program using HOME Community Housing Development Organization funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

Approval of this funding will facilitate the acquisition of two newly-constructed single-family homes located on Thannas Way in the Meadow Lake Subdivision by Austin Neighborhood Alliance for Habitat, Inc. (Habitat), to be sold to low- and moderate-income buyers completing Habitat's homeownership program, which includes a requirement of 400 hours of active program involvement. Families served by Habitat typically have incomes at or below 50 percent of the Austin area's Median Family Income (MFI - currently \$35,550 for a family of four). One home, measuring 1,110 square feet, has three bedrooms and two baths. The other home, measuring 810 square feet, has two bedrooms and one bath.

To ensure long-term affordability, a restrictive covenant will be put in place at the time each home is first sold. In addition, Habitat will use a right of first refusal that gives Habitat the option to purchase the home and sell it to another low- or moderate-income buyer. If Habitat elects not to purchase the home, the restrictive covenant will require resale to another low- or moderate-income buyer during the affordability period.

Additional funding for the project will come from community sponsorships of individual houses and from community donations. The project is subject to Acquisition and Development program requirements, environmental review and federal fund release requirements.

Following Austin Housing Finance Corporation (AHFC) Board approval, an Acquisition and Development program loan will be negotiated and executed with Habitat in an amount not to exceed \$154,580. The entire project is expected to be completed and the homes sold by the end of February 2009.

Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
HOME Funds	\$154,580	Acquisition/ Property Improvement	\$158,160
Habitat Contribution	50,159	Land Costs/ per Appraisal	44,640
		Estimated Closing Costs	<u>1,939</u>
Total	\$204,739	Total	\$204,739

The requested funding is available in the Fiscal Year 2008-2009 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing to provide home ownership opportunities for low- and moderate-income households.